



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

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February 18, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AMENDMENT TO THE OPERATING SUBLEASE
BETWEEN THE PERFORMING ARTS CENTER OF LOS ANGELES COUNTY AND
THE COUNTY OF LOS ANGELES
FIRST DISTRICT
(3 VOTES)**

SUBJECT

The recommended actions will allow the Performing Arts Center of Los Angeles County to operate and maintain the north underground tunnel that once connected the Music Center and the County Mall (currently renamed Grand Park), and enter into a sublease of the tunnel.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chairman to execute Amendment No. 3 to The Music Center Operating Sublease, to re-define the property which comprises "The Music Center", including the north underground tunnel that once connected The Music Center and Grand Park.
2. Authorize the Performing Arts Center of Los Angeles County, subject to review and approval by the Chief Executive Office, to enter into contracts and/or sublease agreements with respect to the north underground tunnel, to allow the installation therein of distributed antenna system equipment designed to amplify cell phone coverage and provide wireless internet access.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Performing Arts Center of Los Angeles County (PACLAC), formerly known as The Music Center Operating Company (MCOC), has operated the Music Center for approximately 50 years. In June

1963, the County and PACLAC (then MCOC) entered into an Operating Sublease with The Music Center, which authorized and required PACLAC to maintain and operate The Music Center. The County and PACLAC agreed to amend the Operating Sublease twice, once in 1967 to add to and clarify the property to be managed, maintained, and operated by PACLAC, and again in 1993 to extend the term of the Operating Sublease through 2064. In December 1996, Los Angeles County (County) and PACLAC entered into an Operating Services Agreement, which set forth the respective obligations of the County and PACLAC regarding custodial, security, and other services in connection with operation of The Music Center.

PACLAC's responsibilities, with respect to The Music Center, include: licensing the use of the Dorothy Chandler Pavilion, Ahmanson Theater, Mark Taper Forum, and Walt Disney Concert Hall; management of the annex, box office, and concession operations; supervising the operations of the communication system and information center; and administering custodial, usher and security services, and other services.

Prior to the redevelopment of Grand Park commencing in 2010, The Music Center was connected to the Grand Park side of the Civic Center via two underground pedestrian tunnels traveling east-west under Grand Avenue, with access points on both The Music Center and Grand Park sides. The two tunnels consisted of a "north tunnel" and a "south tunnel". The south tunnel remains in place utilized as a utility corridor, and for supplies and equipment storage. After completion of Grand Park in June 2012 and continuing to the present, the "north tunnel" is no longer accessible from the Grand Park side and cannot be used for general pedestrian traffic. While the "north tunnel" remains accessible to PACLAC and County staff from The Music Center side, it is now essentially a "tunnel to nowhere" and is currently utilized by staff for storage.

The obligations of coordinating, staging, and carrying out successful events within The Music Center are such that adequate cellphone coverage and wireless internet have become real needs for PACLAC staff, event staff, and performers. The needed cell phone coverage and wireless internet can be achieved via a distributed antenna system (DAS) with equipment staged in the north tunnel. With augmented cell phone coverage, PACLAC staff will be able to effectively communicate with each other and contractors via cell phones while in theaters. With access to a wireless internet network, event staff will be able to use hand held devices to access construction plans, assembly illustrations, and coordinate with appropriate staff to construct the necessary staging.

It is, therefore, recommended that Amendment No. 3 to The Music Center Operating Sublease be approved by the Board and executed by the Chairman to re-define the property to comprise The Music Center under the Operating Sublease as including the north tunnel that once connected The Music Center and Grand Park. It is further recommended that the Board authorize PACLAC to enter into contracts and/or sublease agreements, subject to review and approval by the Chief Executive Office, for the installation of DAS equipment designed to amplify cell phone coverage and provide wireless internet access for both operations and patrons of The Music Center.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Integrated Services Delivery (Goal 3) by investing in public infrastructure to enhance services provided at The Music Center theaters for patrons.

FISCAL IMPACT/FINANCING

PACLAC's sublease with the DAS infrastructure equipment provider will include a percentage based

tunnel space fee, payable to PACLAC. In turn, the DAS infrastructure equipment provider will lease space to internet and cell phone providers to install the necessary equipment to allow services to PACLAC staff and The Music Center patrons. On an annual basis, payments are made from The Music Center appropriation in the General Fund to the PACLAC for services provided to County-owned property. It is anticipated that future appropriations would be decreased in amounts equal to the revenue generated by a sublease of tunnel space to the DAS infrastructure equipment provider in the north underground tunnel.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment to the Operating Sublease contains terms and conditions supporting the Board's ordinances and policies. In accordance with Section 7(c) of the Operating Sublease, PACLAC is required to obtain the Board's approval to enter into any contract, including a sublease, for a term of more than three years. Additionally, approval of the recommended actions would allow the Chief Executive Office to work with PACLAC to ensure adequate placement of DAS equipment on County-owned property and that the sub-lessee is bound by applicable Board ordinances and policies.

ENVIRONMENTAL DOCUMENTATION

Execution of Amendment No. 3 to the Operating Sublease, including the transfer of operation and maintenance responsibility of the north tunnel and the installation of DAS equipment therein, is categorically exempt from the provisions of California Environmental Quality Act pursuant to Sections 15301 (Class 1 – Existing Facilities) and 15303 (Class 3 – New Construction or Conversion of Small Structures) of Title 14 of the California Code of Regulations.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approving the recommended actions will have no impact on current County services.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Facilities and Asset Management Division.

The Honorable Board of Supervisors

2/18/2014

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal line extending to the right.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:SHK:DJT

DKM:RG:rp

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Performing Arts Center of Los Angeles County

AMENDMENT NO. 3
to
OPERATING SUBLEASE
for
THE MUSIC CENTER OF LOS ANGELES COUNTY

This Amendment No. 3 to the Operating Sublease for the Music Center of Los Angeles County is made and entered into on this _____ day of _____, 2014, by and between the County of Los Angeles ("County"), a body corporate and politic and a political subdivision of the State of California, and the Performing Arts Center of Los Angeles County ("PACLAC"), formerly known as The Music Center Operating Company ("MCOC"), a nonprofit corporation organized and existing under the laws of the State of California.

WITNESSETH

WHEREAS, the County and MCOC entered into that certain operating sublease entitled "The Music Center Operating Sublease" dated June 25, 1963 ("Operating Sublease"), pursuant to which MCOC agreed to operate and manage certain County properties collectively described in the Operating Sublease as "The Music Center;" and

WHEREAS, the County and MCOC entered into that certain "Amendment No. 1 to the Operating Sublease" dated November 14, 1967 ("First Amendment No. 1"), which in part added to, and clarified, the property to be managed, maintained and operated by MCOC pursuant to the Operating Sublease; and

WHEREAS, the County and MCOC entered into that certain "Amendment No. 1 to the Operating Sublease" dated September 21, 1993 ("Second Amendment No. 1"), which extended the term of the Operating Sublease to June 25, 2064;

WHEREAS, because the County and MCOC have executed two amendments to the Operating Sublease – First Amendment No. 1 and Second Amendment No. 1 – this Amendment to the Operating Sublease is referred to as "Amendment No. 3."

WHEREAS, the County and MCOC entered into that certain Operating Services Agreement ("Services Agreement"), dated December 23, 1996, which consolidated prior agreements between, and set forth the respective obligations of, the County and MCOC regarding custodial, security, and other services in connection with MCOC's operation of The Music Center; and

WHEREAS, in 1999, MCOC changed its corporate name to PACLAC and continues to operate The Music Center pursuant to the Operating Sublease, as amended, and Services Agreement; and

WHEREAS, commencing in 2010, construction began in the civic center area to the east of The Music Center, across Grand Avenue, for the development of Grand Park. Prior to construction, The Music Center was connected to the Grand Park side of the civic center via two underground pedestrian tunnels traveling east-west under Grand Avenue, with access points on both The Music Center and Grand Park sides. The two tunnels consisted of a "north tunnel" and a "south tunnel." Access points to the "north tunnel" were located immediately to the north of The Music Center's Grand Avenue staircase and to the northwest of the Grand Park fountain. Access points to the "south tunnel" were located immediately to the south of The Music Center's Grand Avenue staircase and to the southwest of the Grand Park fountain; and

WHEREAS, after completion of Grand Park in June 2012 and continuing to the present, the "north tunnel" is no longer accessible from the Grand Park side and cannot be used for general pedestrian traffic. While the "north tunnel" remains accessible to PACLAC and County staff from The Music Center side, it is now essentially a "tunnel to nowhere" and is currently utilized by staff for storage; and

WHEREAS, the County and PACLAC desire to amend the Operating Sublease to expressly include the "north tunnel" as part of The Music Center property subleased to and operated by PACLAC pursuant to the Operating Sublease and the Services Agreement;

WHEREAS, the County and PACLAC also desire to amend the Operating

Sublease to authorize PACLAC to enter into a sublease, subject to County approval, for the installation and maintenance of certain cellular and wireless internet equipment in the "northern tunnel" beneficial to the operation of The Music Center;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and PACLAC hereby agree as follows:

1. Amendment to Section 1 of the Operating Sublease.

Section 1 of the Operating Sublease, as amended pursuant to Section 1 of First Amendment No. 1 thereto, is hereby deleted in its entirety and replaced with the following:

"Section 1. The Music Center

"(a) The Music Center, subleased hereunder, consists of: (1) that certain real property, and all structures and improvements thereon, situated to the west of Grand Park, the Stanley Mosk Courthouse of the Los Angeles Superior Court, and the Kenneth Hahn Hall of Administration, and bounded on the south by First Street, on the north by Temple Street, on the east by Grand Avenue, and on the west by Hope Street, in the civic center area of the City of Los Angeles, which has been improved by the construction of the Dorothy Chandler Pavilion, the Ahmanson Theater and the Mark Taper Forum, among other structures; and (2) the De Lisa Building and real property on which it and its adjacent parking, driveways, and appurtenant structures are located.

"(b) In addition to the property described in subsection (a) of this Section 1, The Music Center also includes that certain subterranean tunnel ("Tunnel"), the entire space thereof and all improvements therein, which is accessible via an entryway/access point located immediately north of The Music Center's Grand Avenue staircase and which terminates underground without any other points of ingress or egress. For the purposes of clarity, the Tunnel is the northernmost of two pedestrian tunnels which formerly connected The Music Center side of Grand Avenue with the Grand Park side of Grand Avenue, and which were formerly used by the public as pedestrian passageways between The Music Center and the area previously known as the County Mall (now Grand Park)."

2. Effect of Amendment.

Except as expressly set forth in this Amendment No. 3 to the Operating Sublease, the Operating Sublease, and First Amendment No. 1 and Second Amendment No. 1 thereto, shall remain in full force and effect according to their terms.

3. Effective Date.

The effective date of this Amendment No. 3 to the Operating Sublease shall be the date of execution by the Board of Supervisors of the County of Los Angeles, and all rights and obligations set forth herein shall terminate with the provisions of the Operating Sublease, as amended.

IN WITNESS WHEREOF, this Amendment No. 3 to the Operating Sublease has been executed for the parties by their duly authorized officers as of the date first written above.

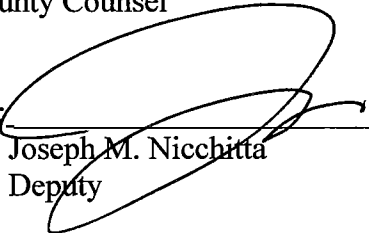
COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors

ATTEST:
SACHI A. HAMAI
Executive Officer-Clerk
Of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
JOHN F. KRATTLI
County Counsel

By: 
Joseph M. Nicchitta
Deputy

**PERFORMING ARTS CENTER OF
LOS ANGELES COUNTY**

By: _____
President/Chief Executive Officer